

Foreign Exchange Forward Exchange Contract

Product Disclosure Statement

Issued by Suncorp-Metway Ltd

Australian financial services licence No. 229882

ABN 66 010 831 722

Dated: 20 December 2019



Important Information

Purpose of this PDS

This Product Disclosure Statement (**PDS**) is an important legal document that contains statements and information concerning, and Terms and Conditions applicable to, Foreign Exchange – Forward Exchange Contracts (**FEC**) issued by Suncorp-Metway Ltd (ABN 66 010 831 722 AFSL 229882) (**Suncorp, we, our** or **us**). The information in this PDS can help you:

- decide if this product meets your needs; and
- compare this product with similar products.

General information only

The information in this PDS is general information only and doesn't take into account your personal objectives, financial situation or needs. Prior to making a decision about this product you should consider the information in this PDS and obtain advice tailored to your personal circumstances in respect of legal, tax, accounting and financial implications of entering into FECs.

When you acquire this product, you are entering into a contract with Suncorp-Metway Limited and agree to the Terms and Conditions. This means that you only deal with us in relation to this product. If you decide to enter into an FEC, you should keep this PDS and all other documentation related to your transaction for future reference.

Contact Suncorp

If you have any questions about this PDS, would like a hard copy of this PDS and associated information or wish to contact us, call 1300 557 763 between 8 am and 5 pm AEST, from Monday to Friday. You may also visit our web site at suncorp.com.au/banking or visit any Suncorp store. Suncorp Treasury is located at Brisbane Square, Level 28, 266 George Street, Brisbane, Qld 4000.

To assist you in understanding this PDS, the definitions of some words have been provided in the "Important Terms" in section 10.

Australian distribution only

The offer, to which this PDS relates, is available to persons receiving the PDS (electronically or otherwise) in Australia, who are Australian residents.

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and therefore, persons into whose possession those documents come should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate these laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Updating the PDS

The information in this PDS is subject to change from time to time and is up to date as at the date stated on the cover. Where the new information is materially adverse information Suncorp will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse information, we will not issue a new PDS or a supplementary PDS, but we will make the updated information available to you on our website suncorp.com.au/banking, or you can call 1300 557 763. If you ask us to, we will send you a hard copy of the updated information free of charge.

Examples in this PDS

Examples are for illustrative purposes only. The actual Exchange Rate will vary depending on the terms of the FEC and the factors listed in section 2 of this PDS.

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1. Key Features

This is a summary of the key features of the product. You should read the entire PDS before transacting.

Topic	Summary
Who is the issuer?	Suncorp-Metway Ltd (ABN 66 010 831 722, Australian Financial Services Licence 229882).
What are we offering?	A Forward Exchange Contract (FEC) is an agreement between you and Suncorp to exchange one currency for another (Currency Pair) at an agreed Exchange Rate on an agreed settlement date that is more than two Business Days after the date of the agreement. In this PDS Suncorp offers Forward Exchange Contracts.
What are the significant benefits?	Entering into an FEC allows you to achieve Exchange Rate protection and cash flow certainty in relation to the relevant foreign exchange transaction.
What are the significant disadvantages and risks?	Currency risk - Foreign currency markets are volatile and there is a risk that Exchange Rates will move adversely, commonly called "currency risk". There is a risk that you could incur a loss to the extent that these move against you. Market risk This can arise due to changes in government or economic policy, interest rates and Exchange Rates, market sentiment, global events, technological change, environmental conditions or changes in legislation. Other risks are explained in Section 4 including counterparty risk, liquidity risk, operational risk, sanctions risk and early termination risk .
What is the term?	From more than 2 Business Days after the transaction date to up to 2 years. The term of the FEC is subject to the agreed maximum term as per the approved Credit Facility .
Which currencies are offered?	Suncorp will quote on the following currencies: AUD, CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, SEK, SGD, THB, USD and ZAR As these are subject to change, please contact your Foreign Exchange Representative for a full range of currencies offered.
What is the minimum contract amount?	There is no minimum transaction amount for this product.
What do I have to pay?	The cost of an FEC is determined by the Exchange Rate we agree with you. Fees and charges may be payable in relation to additional services we may provide to you in association with your transaction. For further details see "Table of Fees" in section 3.
How is it settled?	FECs are settled on the agreed settlement date. On the settlement date you must make a physical delivery of one currency to Suncorp and Suncorp will make a physical delivery of another currency to you. Suncorp may offer an optional delivery period. For further details on optional deliveries see section 2.
Can I vary the settlement date?	Variations to settlement dates may be available by agreement with Suncorp, including extension of the settlement date and pre-delivery. An optional delivery period for an FEC may also be available and pricing may reflect the increased flexibility compared to the terms of a standard FEC. See section 2.
Can I terminate the FEC early?	If we agree, you can terminate the FEC early. However, an amount may be payable by or to you depending on the value of the FEC and the prevailing Market Rates at the time of the termination. See section 2. Suncorp may unilaterally terminate the FEC in certain circumstances. Refer to section 2 for further details on these circumstances.
How do I enter into a contract?	You will need an approved Suncorp Forward Exchange Limit Credit Facility with us before you can transact on an FEC covered by this PDS and complete, sign and return any documents we provide you. To request a quote or make an FEC transaction you will need to contact your Foreign Exchange Representative and specify the currency pair, the contract amount, the settlement date or any optional delivery period (if available) required.
No cooling-off rights	There is no cooling-off period once you have entered into an FEC. Suncorp is not obliged to approve a request to terminate an FEC before the settlement date.
Tax	The tax consequences of executing an FEC will depend upon your specific circumstances. You should seek your own independent tax advice before you enter into an FEC.

2. Product Overview

A Forward Exchange Contract (**FEC**) is an agreement between you and Suncorp to exchange one currency for another at an agreed Exchange Rate on an agreed settlement date.

This PDS does not cover foreign exchange transactions that take place 'today', or foreign exchange transactions that take place within 2 Business Days after the date of the transaction. If you require a transaction that takes place between today and within 2 Business Days, please refer to the "**Foreign Exchange - Value Tomorrow and Value Spot**" PDS issued by Suncorp, which you should consider in deciding whether to acquire or to continue to hold the product. The "**Foreign Exchange - Value Tomorrow and Value Spot**" PDS can be accessed at suncorp.com.au/banking or by contacting us on 1300 557 763 between 8am and 5pm AEST, from Monday to Friday.

The purpose of this PDS is to give you an understanding of how to convert from one currency to another using an FEC. If you want to know more about other products available, please contact your Foreign Exchange Representative.

We are not obliged to sell or buy back this product before it expires, and it cannot be traded on a market with anyone else.

You will need an approved Suncorp Forward Exchange Limit Credit Facility with us before you transact on an FEC covered by this PDS. Credit Facilities should be discussed with a Suncorp lending representative. You should carefully consider the applicable fees and charges and terms associated with the Credit Facility.

For any terms used within the PDS that you do not understand, please refer to 'Important terms' in section 10.

What is a Forward Exchange Contract (FEC)?

An FEC is a binding agreement between two parties to exchange one currency for another, at an agreed rate and on an agreed settlement date, that is more than two Business Days after the transaction date and up to 2 years. These days must be Business Days in both countries of the currencies being exchanged. On the settlement date there is physical delivery of one currency in exchange for the other currency and the amount you pay or receive is determined by the agreed Exchange Rate.

An FEC:

- has an Exchange Rate which is fixed at the time when the contract is entered into ("**Forward Exchange Rate**");
- helps you manage your exposure to Exchange Rate fluctuations because you can 'lock-in' an FEC for a fixed settlement date and fixed Exchange Rate in the future;
- requires a Suncorp Forward Exchange Limit Credit Facility to be in place;
- can have an 'optional' settlement date, which provides the flexibility of settling on any day between two fixed dates (e.g. the FEC may specify a fixed date in three months' time with the option to deliver anytime in the third month). You nominate that you want an optional contract, and the fixed dates, at the time the FEC is agreed; and
- can be a **Par Forward** which is an agreement to exchange a series of cashflows over time in one currency for a series of cashflows in another currency with all exchanges occurring at the same Exchange Rate. The Par Forward is therefore a series of FECs at one agreed rate. The cashflows can be for different notional amounts.

When you arrange an FEC, your Foreign Exchange Representative will quote you a Forward Exchange Rate (or an 'outright' rate) that will apply to your contract.

Please note: these rates are subject to change, so if for any reason you do not proceed with your contract after receiving a quoted rate you will need to obtain a new rate prior to proceeding.

Calculating rates

Two handy rules to remember if you are calculating the rates yourself are:

- if you are converting from foreign currency to AUD, divide the foreign currency amount by the Exchange Rate to calculate the equivalent AUD amount; and
- if you are converting from AUD to foreign currency, multiply the AUD amount by the Exchange Rate to calculate the equivalent foreign currency amount.

Note: Suncorp will also quote on currency pairs that do not include AUD (e.g. EUR/USD, GBP/USD)

What are the benefits of an FEC?

There is a risk that Exchange Rates may move between the date you enter into the transaction and the value date. The benefits of dealing with an FEC include protection in the event of unfavourable movements in Exchange Rates and cash flow certainty in relation to the relevant foreign exchange transaction.

For example – an agreement is made to fix the rate of exchange on a particular day next month. That means you'll receive the quoted amount agreed to in your **Confirmation**, even if the Exchange Rates change and are less favourable to you on the day chosen.

What are the disadvantages of an FEC?

Foreign currency markets are volatile. The disadvantages of an FEC include:

- once you have agreed your rate with Suncorp you will not be able to take advantage of any favourable movements in Exchange Rates for this transaction;
- there is no cooling-off period and Suncorp is not obliged to approve a request to terminate an FEC before the settlement date. This means that, in most circumstances, once you enter into an FEC, you cannot terminate or vary the FEC without our consent; and
- an FEC cannot be traded on a market with anyone else.

How do the rates and margins operate?

Forward Exchange Rate

A **Forward Exchange Rate** is the rate when one currency is exchanged for another currency at a future date that is more than two Business Days in the future. This rate is calculated by adjusting Suncorp's current **Spot Rate** by **Forward Points**.

A Spot Rate is the Exchange Rate applied where the date for settlement of a foreign exchange transaction will occur in two Business Days for the currencies being exchanged and US Dollar (USD).

For example, if the currencies being exchanged are AUD and NZD, the currencies would be exchanged at the Spot Rate two Business Days after the date of the agreement for the Exchange Rate, and the days would need to be a Business Day for each of AUD, NZD and USD.

Suncorp earns income on the difference between which it buys and sells currencies (also known as the margin).

Calculation of Forward Points

Suncorp's Forward Exchange Rate is not a forecast of what the Spot Rate will be at a future date. It is calculated by adjusting Suncorp's current Spot Rate by Forward Points.

Forward Points are calculated by Suncorp having regard to the relevant Forward Points quoted in the foreign exchange market on the day for which the rate is quoted.

Forward Points are added or subtracted to the Spot Rate and are determined by prevailing interest rates in the two currencies and the length of the contract.

Forward Points seek to compensate the party to the forward exchange contract whose currency has a higher interest rate and so could have earned extra interest on their currency between the spot settlement date and the forward settlement date.

Margin

The Exchange Rate applied in converting one currency against another currency is determined by the **Market Rate**, plus a 'margin' which is the difference between the Market Rate and the Exchange Rate we quote for your foreign currency transaction. The margin is retained by us or shared with another foreign currency supplier. (See further detail in section 3 below).

Par Forward

A Par Forward is a series of FECs that are undertaken at the one agreed rate with Suncorp. An agreed Exchange Rate will be applied to all of the series of the FECs even though they may occur at different times.

A Par Forward may be used to assist in providing cash flow certainty in relation to the relevant foreign exchange transaction.

Examples of Forward Exchange Contracts (FECs)

Any rates used in these examples are for illustrative purposes only and may not reflect current Market Rates, outcomes, forecasts or predictions. The actual Exchange Rate will vary depending on the terms of the FEC and the factors listed in section 2 of this PDS. To assess the merits of a foreign exchange contract you will need to use the actual rates and figures quoted to you by your Foreign Exchange Representative.

Example 1

ABC Farms are importing an irrigator from the US. The irrigator is due for delivery in four months and full payment of USD 150,000 is due in three months. In the past, ABC Farms have always used spot foreign exchange contracts for their foreign exchange transactions; however, these have been for small transactions. The new equipment is a large cost for ABC Farms and they are concerned the AUD/USD Exchange Rate could move unfavourably, resulting in the irrigator costing more than expected.

They already have a Credit Facility in place and have contacted their Foreign Exchange Representative who quotes them:

a current Spot Rate of	0.7486
3-month Forward Points	0.0018 (+18 points)
Forward Exchange Rate of	0.7504

ABC Farms decide to go ahead with the FEC based on the Forward Exchange Rate quoted. They have agreed to buy USD 150,000 and sell AUD 199,893.39 (USD 150,000/0.7504) on a fixed date in three months.

Three months later, the Spot Rate is 0.7288. As ABC Farms have an FEC in place, they buy USD 150,000 and sell AUD 199,893.39 at the agreed rate of 0.7504.

If ABC Farms had not locked in the FEC when they did, and if they had to deal at today's Spot Rate of 0.7288, the irrigator would have cost them AUD 205,817.78, an extra AUD 5,924.39.

Please note: in this example the underlying Spot Rate movement resulted in the customer benefiting from having entered into the FEC. However, Exchange Rates are volatile and in many situations the Spot Rate may move against you after you enter into the contract.

Example 2

XYZ Exports have just signed a deal for a shipment to New Zealand. Their goods will be shipped in three months and they expect to receive NZD 55,000 within two days of the shipment leaving. The AUD/NZD Exchange Rate has been rising unfavourably for XYZ Exports.

They have always used FECs to protect their income against unfavourable Exchange Rate movements. After agreeing the shipment terms with the New Zealand buyer, XYZ Exports' accountant (who is an Authorised Dealer), Mr Stewart, contacts his Foreign Exchange Representative who quotes him:

a current Spot Rate	1.0715
3 month Forward Points	0.0017 (+17 points)
Forward Exchange Rate of	1.0732

Mr Stewart confirms he will accept the Forward Exchange Rate.

Three months later, the AUD/NZD Spot Rate is 1.0588. XYZ Exports sell NZD 55,000 and buy AUD 51,248.60 at the agreed rate of 1.0732.

In this case, XYZ Exports would have received AUD \$697.00 more if they had taken today's Spot Rate of 1.0588 to receive AUD 51,945.60 and not locked into an FEC.

Example 3: Par Forward

NutCo signs a contract to sell USD 300,000 of packaged nuts and dried fruits to a chain of duty free shops across Asia. Their payment is expected to be in three amounts each of USD 100,000. The tender process was competitive in USD terms but NutCo wants the same AUD receipt for the contract to make accounting easier.

NutCo could request a quote for three FECs to cover the three settlement dates, but this would mean that three separate Exchange Rates would be locked in resulting in three different AUD amounts causing extra administration work to correct the accounts. Under a Par Forward, Suncorp quotes one Par Forward Exchange Rate to cover all three settlement dates resulting in the same AUD amount for the three settlement dates. This Par Forward Exchange Rate will be the weighted average for all three individual FECs.

An example of how the Exchange Rate operates differently for a Par Forward from how it operates for FECs that are separately agreed for three settlement dates is set out below:

Three separate FECs used to complete the three transactions without a Par Forward

Date	Amount	AUD/USD	AUD equivalent
1 Feb	Bank buys USD 100,000	0.7119	Bank sells AUD 140,469.17
4 May	Bank buys USD 100,000	0.7130	Bank sells AUD 140,252.45
24 Jun	Bank buys USD 100,000	0.7144	Bank sells AUD 139,977.60
		Total	Bank sells AUD 420,699.23

Par Forward with set Par Forward Exchange Rate used to complete the three transactions:

Date	Amount	AUD/USD	AUD equivalent
1 Feb	Bank buys USD 100,000	0.7131	Bank sells AUD 140,232.78
4 May	Bank buys USD 100,000	0.7131	Bank sells AUD 140,232.78
24 Jun	Bank buys USD 100,000	0.7131	Bank sells AUD 140,232.78
		Total	Bank sells AUD 420,698.36

After executing the Par Forward you will be issued with a Confirmation for each individual FEC at one common Exchange Rate (AUD/USD 0.7131 in the above example). As each transaction is documented as a separate FEC, individual contracts can be pre-delivered if required.

Whether NutCo would have received more or less AUD had they taken the Spot Rate for the three settlement dates and not locked in the Par Forward depends on the Spot Rate on those dates compare to the Par Forward Exchange Rate.

Term of Forward Exchange Contracts

The term of the FEC transaction will be agreed between you and Suncorp at the time at which you enter the FEC. The term of the FEC is subject to the agreed maximum term as per the approved Credit Facility.

There are some circumstances in which you can vary the term of an FEC, these are outlined below.

Please note: the term of an FEC is fixed and it is only at Suncorp’s discretion that a term can be modified.

Historical Rate Roll

Suncorp may consider requests to extend an FEC using the historical rate on a case by case basis where there is a genuine underlying trade related purpose. Suncorp gives no undertaking to approve such requests.

These are known as Historical Rate Roll (**HRR**) requests and all requests will be subject to our credit approval process and you may be required to provide information to support your request.

For example, using the ABC Farms importer example from Example 1, the irrigator was delayed for a month because of supply problems in the United States. ABC Farms can ask Suncorp to extend the existing FEC for another month.

After Suncorp has approved the extension, ABC Farms are quoted the following:

a current Spot Rate	0.7288
original Forward Exchange Rate	0.7504
an adjusted Forward Exchange Rate	0.7518

The adjusted Forward Exchange Rate is 14 points better than the original Forward Exchange Rate of 0.7504. The 14 points reflect the Forward Points for the additional month plus an adjustment for the difference in cash flow.

Deviation from prevailing Market Rates involves accounting, credit and proprietary risks. You should make your own assessment and obtain your own advice regarding the risks associated with HRR extensions and their suitability for you.

Optional period

An FEC may be entered into with a period during which the FEC may be pre-delivered (i.e. terminated by you prior to the expiration of the agreed term of the FEC) without the Forward Exchange Rate changing. This period is termed an ‘optional period’. An FEC with an optional period is one where the agreed Exchange Rate in the contract may be exercised without adjustment for a set period of time rather than a single date.

The optional period is set for the range of dates and, if payment is received at any time within that period, the FEC is delivered early without a rate adjustment. For example, you might have a six-month FEC where you can pre-deliver anytime in the last month without an early delivery adjustment to the Forward Exchange Rate.

The optional period does not release you from your obligations under the FEC.

Pre-delivery of an FEC

An FEC may be partly or fully ‘pre-delivered’ before the agreed settlement date. A pre-delivered contract can be ‘in the money’ or ‘out of the money’, creating a difference in cash flow. We will adjust your Forward Exchange Rate to reflect this difference in cash flow.

For example, using XYZ Exports from Example 2, the New Zealand buyer called a week later and asked if the shipment could be sent a month earlier. XYZ Exports agreed to change the shipment arrangements.

Two months later, the shipment leaves as scheduled and XYZ Exports receive NZD 55,000. The existing FEC is due to mature in one month. Mr Stewart advises his

Foreign Exchange Representative that XYZ Exports needs to deliver the NZD on their FEC early.

He is quoted the following:

a current Spot Rate	1.0671
original Forward Exchange Rate	1.0732
an adjusted Forward Exchange Rate	1.0727

The adjusted Forward Exchange Rate is better than the original Forward Exchange Rate of 1.0732. The adjusted rate reflects the Forward Points for the remaining unused term of the contract plus an adjustment for the difference in cash flow.

Early termination of an FEC on request

Foreign currency markets are volatile and there is a risk that Exchange Rates will move adversely, commonly called "Currency risk". There is a risk that you could incur a loss to the extent that these move against you. You should obtain independent advice before proceeding with a termination.

An FEC cannot be automatically terminated after you have entered into it. However, Suncorp may terminate an FEC at any time before the settlement date subject to you meeting the cost of the relevant offsetting transaction as deemed reasonable by us. An FEC is terminated by agreement between you and Suncorp.

Terminating the FEC you have in place with Suncorp requires two steps. Suncorp will pre-deliver the transaction to today's value date and then Suncorp will enter into one or more offsetting foreign exchange transactions at the current Market Rate.

Step 1 – Suncorp makes an adjustment to the Forward Points to pre-deliver the FEC from the existing settlement day to today. The Forward Points for the pre-delivery may be different to the Forward Points for the original FEC because the period is different and interest rates may have changed affecting Forward Points across the market.

Step 2 – Suncorp closes out the transaction at the current Market Rate quoted by Suncorp (this will be the current Spot Rate and include Suncorp's margin). The Market Rate quoted by Suncorp is likely to have moved since the original FEC and therefore an offsetting foreign exchange transaction may result in either a benefit or cost to you and will be settled as a debit or credit to your nominated bank account, unless otherwise agreed.

Example:

Using XYZ Exports from Example 2, Mr Stewart called 2 weeks later and advises that they are not proceeding with the shipment.

Mr Stewart asks his Foreign Exchange Representative if XYZ Exports can terminate the existing FEC early. He is quoted:

Step 1 – Suncorp makes an adjustment to the FEC to pre-deliver the transaction to today:

Original Forward Exchange Rate	1.0732
Pre-delivery Forward Points	-0.0010
Pre-delivered Forward Exchange Rate	1.0722

XYZ Exports sell NZD 55,000.00 and buy AUD 51,296.40 at the agreed pre-delivery Forward Exchange Rate 1.0722.

Step 2 – Suncorp closes out with an offsetting transaction at the current Market Rate (including our margin):

Current Market Rate	1.0671
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XYZ Exports buy NZD 55,000.00 and sell AUD 51,541.56 at the current Market Rate 1.0671.

XYZ Exports will be required to pay AUD 245.16 to Suncorp.

The termination of an FEC could result in Suncorp paying you depending on Market Rates.

Early termination of an FEC by Suncorp

Suncorp may terminate an FEC without prior notice if:

- you fail to pay any amount by the time and in the manner required under the Derivatives Master Agreement (**DMA**) or ISDA Master Agreement (**ISDA**);
- you breach the Terms and Conditions of the DMA, or any other agreement between you and Suncorp;
- a representation made by you in connection with the FEC is untrue or misleading in any material respect; or
- you become insolvent.

3. Fees and charges

This section describes fees and other costs that may be charged in relation to an FEC. You should read all

the information about the fees and charges, as it is important you understand their impact on FEC.

You must pay these fees and charges at the time specified in any agreement we have with you. We can debit an account that you have with us for any fees and charges you are required to pay. For more details – see section 8 “Set Off”.

You can get further information on current fees and charges by contacting your Foreign Exchange Representative.

Applicable fees and charges

Unless we tell you otherwise, the following fees are charged per item at the time the service is provided, or the transaction or event occurs:

Table of Fees	
Telegraphic Transfers:	
Issued	\$30.00 each
Recall, Amend or Trace requests	\$30.00 each
Confirmation Reprint:	\$3.00 each
Transfers to other institutions (EFT)	\$0.00 (free)
Request for Audit Certificate	\$30.00 per certificate
Record search/copy fee	\$70.00 per hour

In charging any fee or charge we will comply with:

- the law (including any obligation we may have to disclose our fees to you);
- the ePayments Code (if applicable); and
- the Banking Code (if applicable).

Changing the fees and charges

We can change, vary, add or remove fees and charges that apply at any time. We will comply with any particular conditions in changing the fees and charges. We can also introduce new fees and charges.

If any fee or charge is changed, varied, added or removed, we will notify you in accordance with the section headed “Changing the Terms and Conditions” in section 8.

Exemptions from fees and charges

In certain circumstances Suncorp may exempt customers or refund particular fees and charges. To find out when we may do this please contact your Foreign Exchange Representative.

We can change the exemption and refund Terms and Conditions at any time.

Suncorp earns income on FECs

We earn income from the foreign currency and interest spread (or margin) that we apply to FECs due to the difference between the Forward Exchange Rate and the rate at which we buy and sell currencies or lend and borrow funds.

We determine margin on a customer to customer basis. The significant factors that may influence the size of the margin include but are not limited to: the volume and frequency of transactions by the client, the currencies being exchanged, Suncorp’s cost and profit margin, and your business relationship with the greater Suncorp group.

Our margin is incorporated into the Exchange Rates and interest rates quoted to you and is not an additional charge or fee payable by you.

Remuneration and other benefits paid to Representatives

Foreign Exchange Representatives employed by Suncorp-Metway Limited receive an annual salary, which is based on a number of general factors including industry experience, location, qualifications and complexity of role.

In addition, Foreign Exchange Representatives may be eligible to receive an annual short-term incentive payment based on a number of factors including the representative’s individual performance and subject to Suncorp’s performance.

However, Foreign Exchange Representatives do not receive incentives, commissions or other payments based solely on individual sales or the advice provided by the representative. Foreign Exchange Representatives may also be eligible to receive an annual grant of Suncorp shares, this is subject to Suncorp performance and individual performance.

Government fees and charges

Currently, no government fees and charges apply to FECs.

4. Risks

There are certain risks you should consider when undertaking an FEC and what they mean for you. If you do not understand a risk or would like to know more, speak to your financial adviser.

An FEC should only be entered into if its use is consistent with your risk management strategy and financial circumstances. Monitoring of any risks associated with an FEC is your responsibility, including monitoring the current value of the FEC.

Significant Risks

Market risk (also known as systematic risk)

Market risk can arise due to changes in government or economic policy, interest rates and Exchange Rates, market sentiment, global events, technological change, environmental conditions or changes in legislation.

All these things can adversely affect the financial markets in which these FEC are offered.

Foreign exchange risk (also known as currency risk)

Foreign currency markets are volatile and the rate at which you can exchange the Australian dollar can rise and fall. There is a risk that Exchange Rates can move adversely, which also called currency risk. There is a risk that you could incur a loss to the extent that these move against you.

We are not obliged to sell or buy back this product before the settlement date and it cannot be traded on a market with anyone else.

Other Risks

Counterparty risk

Counterparty risk is the risk that a counterparty to an FEC may be unable to meet its obligations. Suncorp-Metway Ltd is the counterparty to your FEC and is an authorised deposit-taking institution and subject to prudential regulation. Our financial position and other corporate information can be understood by referring to the information and documents at the "Financial reports" section on our website www.suncorpgroup.com.au.

Liquidity risk

Liquidity risk arises as there is no cooling-off period for the FECs covered in this PDS and therefore once you enter into the transaction you will be required to complete it on the settlement date. You cannot easily cancel your transaction at a time when you may need it.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or events that are external to Suncorp.

You are reliant on the ability of Suncorp to price and settle your FEC in a timely and accurate manner. Suncorp, in turn, is dependent on the reliability of its own operational processes, which include communications, computers and computer networks. Disruptions in Suncorp's processes may lead to delays in the execution and settlement of your FEC. Such disruptions may result in contractual outcomes that are unfavourable to you.

Suncorp accepts responsibility only for those operational risks that are internal to Suncorp. In particular, to deliver some currencies, Suncorp may use agents and correspondent banks. Any delay or failure by such agent or correspondent bank to deliver the required currency may result in a delay or failure by Suncorp in settling your FEC. Suncorp cannot control and does not accept responsibility for any losses resulting from events external to Suncorp but will refund any payment you have made in relation to your FEC where Suncorp is unable to settle your FEC due to a failure by an agent or correspondent bank.

Sanctions risk

Suncorp is bound by laws that impose obligations in relation to the prevention of money laundering and the financing of terrorism. In order for Suncorp to meet its obligations under Australian Anti-Money Laundering and Counter-Terrorism Financing Laws (**AML/CTF Laws**), Suncorp may need to collect certain information from you, conduct ongoing monitoring activities and make reports to AUSTRAC.

Australia, as a member state of the United Nations, also implements United Nations Security Council sanctions and is subject to Australian Sanctions Laws.

The Australian Sanctions Laws prohibit certain conduct, including dealing with, and making payments to, certain people and entities prescribed on a list maintained by the Department of Foreign Affairs and Trade.

If Suncorp is aware, or has reasonable grounds to believe, that you are a proscribed person or entity under Australian Sanctions Laws or any international sanctions law that applies to Suncorp, or if Suncorp otherwise believes it necessary in order to comply with Suncorp's obligations under applicable AML/CTF Laws or sanctions laws, then Suncorp may require you to provide certain information, suspend, cancel or refuse you services, or close or terminate any account, facility, transaction (including FECs), arrangement or agreement with you. We may also be required to freeze

your assets. Where Suncorp takes these actions, it will have no liability to you or any associated party.

You could incur a significant cost as a result of these actions.

Suncorp may take any action it considers necessary in order to comply with anti-money laundering and counter-terrorism financing or sanctions laws, including but not limited to disclosing information held about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies in Australia or overseas.

Early termination risk

Suncorp may terminate an FEC without prior notice in the circumstances outlined in Section 2.

In these circumstances you may be required to pay an amount to us to compensate us for any losses or costs that we have incurred.

5. How to transact

If you would like to transact, you should contact your Foreign Exchange Representative.

If you are a new customer, we will send you documents that you need to complete, sign and then return the originals to us before you can transact.

How to contact your Foreign Exchange Representative

If you have any questions about this document, or to obtain details of our Exchange Rates, other fees and charges or about the Cut Off Times associated with an FEC, please contact your Foreign Exchange Representative:

Phone	Fax	Email
1300 557 763	(07) 3031 2209	treasuryfx@suncorp.com.au (payment instructions only)

Note: All conversations with Suncorp Treasury are recorded

Postal Address:

Treasury Operations (4FI015)
Suncorp-Metway Ltd
GPO Box 1453
Brisbane 4001

Please note that Instructions by phone, fax, email, post or any other agreed electronic form can only be accepted from an Authorised Individual. An Authorised Signatory of the product must sign the Instructions.

Communicating with us

All phone conversations with Suncorp are recorded. You agree and acknowledge that we can intercept, record, read or view by any means any communication you may have with or make to us by any means. Communication includes but is not limited to any telephone communication, email, fax and any other form of electronic or wireless communication. If you do not agree to have your phone conversations with us recorded, we will not be able to complete your transactions.

Credit Facility

You will need an approved Suncorp Forward Exchange Contract Limit Credit Facility with us before you can transact an FEC covered by this PDS. Suncorp may exercise rights against you under the terms and conditions of the Credit Facility and any executed DMA or ISDA to retrieve any amounts owing.

Credit Facilities should be discussed with your Suncorp lending representative and you should carefully consider the applicable fees and charges and terms associated with the Credit Facility. These will be fully disclosed in the relevant facility documentation.

You should read the Credit Facility documentation carefully to understand your rights and obligations and also Suncorp's rights and obligations under the terms of the Credit Facility.

Legal Entity Identifier

Suncorp is required to report a globally recognised entity identifier for customers who enter into over the counter (**OTC**) derivative transactions (including FEC) with us. This identifier will be used in our reporting to the Australian Securities & Investments Commission (**ASIC**). A Legal Entity Identifier (**LEI**) issued by the Global Legal Entity Identifier Foundation (**GLEIF**) is ASIC's preferred entity identifier. You will need to provide us with an LEI if you have one or contact your Foreign Exchange Representative for more information on how to obtain one.

Your FEC master agreement

Unless you already have an agreement in place, we will send you a DMA. If you are a Wholesale Client, you may request us to instead enter into an ISDA.

The agreement we give you will set out the Terms and Conditions that apply to the FECs we enter into with

you and generally govern the relationship between you and Suncorp. You should also read the Suncorp Terms and Conditions below that also apply.

The Terms and Conditions of the DMA address (among other things):

- how FEC transactions will be entered, confirmed and settled;
- how payments will be made;
- the circumstances in which Suncorp may terminate any or all FEC transactions with you;
- the representations and warranties both you and Suncorp make to one another; and
- consequences for breaching the DMA.

You can ask us for copies of these documents. We recommend you read the documents and that you seek your own legal advice prior to undertaking an FEC transaction.

You need to sign the DMA or ISDA and return it to Suncorp Treasury Operations (contact details are outlined in section 5) before you can enter into an FEC. You may also need to satisfy other requirements that we may have before you can enter into an FEC.

6. How settlement takes place

When you enter into an FEC with us, you agree to make a physical payment of one currency to us in exchange for a physical receipt of another currency at a fixed Exchange Rate on a pre-agreed date called the settlement date. What you pay is determined by the Forward Exchange Rate we agree with you.

The AUD or foreign currency that you or another party are paying to us must be **Cleared Funds** before you can transact with us. Our AUD payments will be made by electronic transfer. Our foreign currency payments will be made by electronic transfer.

To make a foreign currency payment, you will need to fax, email or send in any other agreed electronic form your signed Instructions to Suncorp Treasury Operations.

7. Taxation

The Income Tax Assessment Act 1997 (Cth) determines whether any interest you earn will be taxable. The Taxation Administration Act 1953 (Cth) imposes the obligation on investment bodies to collect customers'

Tax File Numbers and ABNs which we must quote to the Australian Tax Office (**ATO**) and other foreign regulators as required by Australian law. We may request and collect your Tax File Number for the purpose of complying with our legislative obligations.

We will not quote Tax File Numbers or ABNs to anyone else. It is not an offence for you not to quote your Tax File Number. You can decide whether or not to give us your Tax File Number or ABN when you open an account with us.

If you choose not to tell us your Tax File Number or ABN, we must by law deduct from any interest we pay you, an amount of tax calculated at the highest marginal rate plus Medicare levy and send it to the ATO.

Children under 16, pensioners and others who do not have to lodge tax returns can claim an exemption from having to supply a Tax File Number.

If you live outside Australia, non-resident withholding tax will be deducted from any interest your Account earns unless you have an exemption. You can ask the ATO for an exemption if you are living overseas temporarily or if you are a member of the armed forces serving overseas.

If you have an approved exemption you should tell us. For any advice in this regard we suggest that you obtain independent advice from your registered tax advisor or accountant.

For more information about Tax File Number regulations, contact the ATO on 13 28 61.

FATCA

Australian financial institutions, such as Suncorp, must provide the ATO with information about financial accounts held by U.S. persons. This is due to the Foreign Account Tax Compliance Act (**FATCA**) Agreement between Australia and the US. Consequently, you may be requested to provide certain information to Suncorp. You must advise us promptly if your tax residency changes and either advise us of the foreign Tax Identification Number or a reason why the Tax Identification Number is not provided. The ATO is required to provide this information to the U.S. Internal Revenue Service.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**) applied to Australian financial institutions with effect

from 1 July 2017. The CRS requires Suncorp to report information regarding certain accounts to the ATO and follow related due diligence procedures. Suncorp is obliged to collect certain information and report it to the ATO to ensure compliance with the CRS. You must advise us promptly if your tax residency changes and either advise us of the foreign Tax Identification Number or a reason why the Tax Identification Number is not provided. The ATO may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

8. Other important Information

FEC Terms and Conditions

The Terms and Conditions of the FECs are:

- the Terms and Conditions contained in this PDS.
- The Treasury Terms & Conditions document;
- the DMA or ISDA (whichever is applicable);
- conditions imposed by law and applicable Codes;
- any Confirmations; and
- any application form completed and signed by you in relation to an FEC. For example, Client Details Form or an approved Suncorp Credit Facility that you obtained to perform these transactions.

Changing the Terms and Conditions

We may, at any time, without your consent and at our discretion, change:

- fees and charges; and
- features, benefits or responsibilities under these Terms and Conditions.

If the Banking Code applies, and we make a change that is unfavourable to you, we will give you at least 30 days' notice. We may give you shorter notice if we are permitted under the Banking Code or law to do so.

If Banking Code does not apply, we will give you the period of notice set down by law, these Terms and Conditions, the ePayments Code or any other applicable Code. If no period of notice is needed, we can make changes immediately and you might not be told of these before they happen.

We will notify you of a change either:

- by advertising the change in a national newspaper;

- by giving you written notice; or
- in any other way permitted by law or a Code.

Privacy and confidentiality

Suncorp is a member of a financial services Group (the Suncorp Group). The Suncorp Group offers many different categories of financial products and services.

We collect personal information from our customers, so we can:

- set up and administer a product for you;
- determine a customer's requirements and provide the appropriate product or service;
- assess a claim made by a customer under one or more of our products;
- assess our customers and their needs; and
- improve our financial products and services.

Without this information, we cannot provide the product or service. If you would like a copy of the Suncorp Group's Privacy Policy or Treasury's complete Privacy Statement, please contact your Foreign Exchange Representative or visit our website www.suncorp.com.au/privacy.

Identity

By law, we must be sure of your identity and hold certain information about you and other relevant parties (for example, beneficiaries, shareholders). So we can comply with the law, you must provide any relevant information and/or documentation we request.

In addition, from time to time we may request further information and/or documentation from you to assist Suncorp in meeting its legal obligations. You must provide such information and/or documentation when requested.

If you are an existing Suncorp customer you will not generally be required to repeat the customer identification process, however you will need to identify yourself if we ask.

Confirmations

We will send you a Confirmation of transactions made and the terms applying to same via fax, email or in any other electronic form where agreed from time to time. The Confirmation will be conclusive evidence of the transaction made and terms applying to same unless

you advise us otherwise, within 24 hours of receipt of the Confirmation.

If you advise us of any incorrect information contained in the Confirmation within 24 hours of receipt of the Confirmation, we will proceed to investigate and attempt to resolve the disputed information. In doing this, we will comply with the requirements of any law, Code or scheme applying to any disputed transaction

Set Off

You agree that we can set off and/or apply the credit balance of any account that you have with us against any debt owed by you to us, without your prior consent. Where we are contractually obliged to do so, we will advise you as soon as practicable after the set off has occurred.

If we exercise this right, we will withdraw the amount you owe us from the credit balance in your account and apply this amount to reduce any other amount you owe us.

Banking Code of Practice

We have adopted Banking Code of Practice 2019 (**Banking Code**). The Banking Code sets out the standards of practice and service for Australian banks to follow when dealing with certain customers.

If you are an Individual or a Small Business (each term as defined in Banking Code), the relevant provisions of Banking Code will apply to the relevant services described in this PDS and prevail to the extent of any inconsistency with these Terms and Conditions.

You can obtain a copy of Banking Code from our website or any of our Stores. Please let us know if you would like to discuss whether or not Banking Code will apply to you. Our contact details are set out on the back page of this PDS.

Financial Crimes Monitoring

Suncorp is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, which are the **AML/CTF Laws**. In order for Suncorp to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any FEC with Suncorp, you agree and provide the following undertakings and agree to

indemnify Suncorp against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with Suncorp under an assumed name;
- any funds used by you to enter into an agreement with Suncorp have not been derived from or related to any criminal activities;
- any payments received from Suncorp will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle an FEC); and
- you and your FEC with Suncorp will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with Suncorp from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including AML/CTF Laws;
- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions or the law or sanctions of any other country;
- where transactions are delayed, blocked, frozen or refused, Suncorp and other members of the wider Suncorp Group are not liable for any losses you suffer (including consequential losses) in connection with an FEC; and
- where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

9. Problems and complaints

We can help you with any problems you might have with our products and services.

If you have a complaint concerning any of our products or services, please contact your Foreign Exchange Representative or in any of the following ways:

Call customer relations: 1800 689 762 *

Send us a Fax on: 1300 767 337

Write to us at: Reply Paid 1453

Suncorp Bank Customer
Relations (4RE058)
GPO Box 1453
BRISBANE QLD 4001

Email us at: customer.relations@suncorp.com.au

We will acknowledge your complaint and try to resolve the matter within 24 hours. If we can't, we will try to resolve it within 45 days.

If you're not happy with how we've resolved your complaint, you can either refer your complaint to the Australian Financial Complaints Authority (**AFCA**) or you can ask for a review by Suncorp's Group Customer Advocate.

One of the roles of your Customer Advocate is to elevate the voice of our customers. At Suncorp, we do this by offering reviews of complaints by your Customer Advocate to assist you to achieve a fair and reasonable outcome.

Contact your Customer Advocate via email to request a review of your complaint.

Email at: customeradvocate@suncorp.com.au

The Customer Advocate operates separately from our day-to-day business areas and the Customer Advocate's recommendations are binding on Suncorp. If you choose to contact the Customer Advocate first, you can still refer your complaint to AFCA if you remain dissatisfied. AFCA's services may only be available to you if you are a retail client.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the AFCA. AFCA provides fair and independent financial services complaint resolution to consumers and some small businesses.

AFCA provides a free service for customers with complaints involving \$1,000,000 or less and may only be available to retail clients.

You can contact AFCA by:

Phone on: 1800 931 678 (free call) *

Email at: info@afca.org.au

Writing to: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Website: www.afca.org.au

**A higher charge may apply for public telephones and mobile phones.*

10. Important Terms

The following table defines and explains the meaning of some terms used in this PDS.

Term	Meaning
AFSL	Australian Financial Services licence.
Australian Sanctions Laws	Charter of the United Nations Act 1945 (Cth) and Autonomous Sanctions Act 2011 (Cth) and the Regulations under those Acts.
Australian Anti-Money Laundering and Counter-Terrorism Laws (AML/CTF Laws)	The Anti-Money Laundering and Counter-Terrorism Act 2006 (Cth), and the regulations made under that Act.
Authorised Dealer	The person that has the authority to exchange information and book in a deal or transaction.
Authorised Individual	The person that has full authority to transact and sign on the customers account, unless otherwise indicated on the Suncorp Treasury Client Details Form.
Authorised Signatory	The person that has the authority to sign all documents. This includes settlement instructions, transactional instructions and amendments to customer details.
Banking Code	The Australian Banking Association's 2019 Banking Code of Practice, as updated and adopted by us from time to time.
Business Day	A day when banks are open for business in each of the centres applicable to the currencies being transacted and the United States.
Cleared Funds	Funds that are available for withdrawal. Cheques and payments other than cash may have a waiting period during which the funds are unavailable. Funds paid in by cheque may take up to 5 days to become available, however the length of the waiting period depends on the beneficiary's bank and the type of payment involved. For example, funds from electronic transfers are usually available more quickly than funds from cheques.
Code	Any industry code of practice that applies to us, your account or a transaction and includes the ePayments Code and the Banking Code.
Confirmation	Our written advice that is proof of your transaction. It shows details such as the date, name, address, term, amount, currency, Exchange Rate and beneficiaries.
Credit Facility	The facility under which we have agreed to provide an agreed amount of credit you can use for a set period.
Currency Pair	The two currencies that are to be exchanged under the FEC.
Cut Off Times	The time on a given Business Day before which we will process your transaction for value that day. Cut off times vary depending on the country of currency of your deposit and its time zone or daylight savings times. For example, we have an earlier cut off time for countries that have a similar time zone to Australia, such as Japan and New Zealand and a later cut off time for countries with a time zone that is hours behind Australia such as Europe and America. For more information on these Cut Off Times, please contact your Foreign Exchange Representative.
Derivatives Master Agreement (DMA)	The Master Agreement for Foreign Currency and Derivative Transactions issued by Suncorp-Metway Limited.
Email	Includes any electronic transmission method, system or process and any information transmitted electronically.
ePayments Code	Regulates electronic payments, including online payments, internet and mobile banking, BPAY®, ATM, EFTPOS and credit card transactions. ® Registered to BPAY Pty Ltd ABN 69 079 137 518
Exchange Rate	For this PDS, the agreed rate at which we will exchange one currency with you for another.
Forward Exchange Contract (FEC)	A Forward Exchange Contract (FEC) is an agreement between you and Suncorp to exchange one currency for another at an agreed Exchange Rate on an agreed settlement date that is more than two Business Days after the date of the agreement.
Forward Exchange Rate	An Exchange Rate for a date that is more than two Business Days in the future.
Foreign Exchange Representative	A nominated Suncorp employee that works on the Foreign Exchange desk in the Treasury department that you may contact in relation to your FECs.
Forward Points	The number of basis points added to or subtracted from the current Spot Rate to determine the Forward Exchange Rate margin for delivery of a foreign currency on a specified settlement date.
Historical Rate Roll (HRR)	Historical Rate Roll refers to the extension of an FEC at its existing rate adjusted for the additional Forward Points and costs incurred by Suncorp.

Term	Meaning
ISDA Master Agreement	The Master Agreement approved by the International Swaps and Derivatives Association Inc. that governs a variety of derivative transactions entered into between the parties named in the Agreement. The ISDA Agreement outlines the Terms and Conditions that each party has agreed to comply with and are read in conjunction with the Confirmation.
Individual	This has the meaning given in Chapter 1 of the Banking Code.
Instruction	Any instruction, notice, consent, request, approval, acceptance, confirmation, information or document.
Market Rate	The current prevailing market rate for the exchange of one currency for another.
Par Forward	A Par Forward is a series of FECs dealt at one agreed exchange rate to facilitate an exchange of a series of cashflows over time in one currency for a series of cashflows in another currency. The cashflows can be for different notional amounts.
Spot Rate	For this PDS, the Spot Rate is the current market value of a currency at the moment of the quote.
Suncorp	Suncorp-Metway Ltd ABN 66 010 831 722, its successors and assignees.
Suncorp Forward Exchange Limit Credit Facility	The approved credit facility held with Suncorp for the purposes of completing forward exchange transactions.
Suncorp Treasury	The division of Suncorp known as Suncorp Treasury or Treasury.
Terms and Conditions	<ul style="list-style-type: none"> a. the terms and conditions contained in the paragraphs of this PDS; b. the treasury terms and conditions document c. the terms and conditions in the DMA or ISDA (as the case may be); d. conditions imposed by law and applicable codes of practice; e. any Confirmation; and f. any client details form signed by you to establish the Authorised Dealers and signatories that can authorise and confirm foreign exchange transactions.
'we', 'our' or 'us'	Suncorp.
Wholesale Client	A person who is defined as a wholesale client in accordance with section 761G or 761GA of the Corporations Act.
'you' or 'your'	The person who has a product with us. It can also include a partnership, trust, company or corporation. If more than one person has the product, 'you' includes all those people - singly and as a group, 'your' is used in the same way. All references to 'you' and 'your' include the successors, administrators or assigns of you or that person.

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How to contact us



Call
1300 557 763



Online
[suncorp.com.au/
banking](https://suncorp.com.au/banking)



Local
store